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ABSTRACT

The use of marketing activities by educational institutions and the transfer of marketing activities from business to higher education are considered. Market analysis helps colleges and universities determine what programs, scheduling, or services are strong and to which student market the institution should appeal. It is suggested that the ability of each institution to adjust to new market components (e.g., lifelong learning for adults, remediation for the disadvantaged) may determine not only a successful marketing process, but also institutional survival. The marketing research process involves gathering and evaluating reliable data, including the identification of new student groups, such as part-time students, older students, females, and disadvantaged groups. Marketing determines how to meet the needs of current students and future student pools. The marketing process involves managerial decisions on the best promotional approaches, which include direct mail, media releases, calendar announcements, and advertisements in publications. It is suggested that competition and the complexity of the marketplace will make new product offerings a high priority for the future. (SW)

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MARKETING IN HIGHER EDUCATION

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TABLE OF CONTENTS

	Page
Introduction	1
The Transfer of Marketing Activities from Business to Higher Education	3
Marketing Activities, Pros and Cons	8
Why Marketing Techniques are Being Employed in Higher Education	12
What Marketing Population Higher Education is Recruiting	15
Which Components are Included in Higher Education Marketing	20
How Higher Education is Promoting Its Product	25
Marketing in the Future	28
Conclusions	29
BIBLIOGRAPHY	33

MARKETING IN HIGHER EDUCATION

Introduction

Education in the United States is a big business. In the 1979-1980 school year, approximately 7 percent of the gross national product--142.3 billion dollars--was spent by the 114 million students in the U.S.¹ Despite this significant expenditure, the effect of the first prolonged recession in postsecondary enrollment in the nation's history has caused this level of the educational business to look at the future in terms of survival.² One survival strategy to which higher education is turning is a marketing orientation.³

The struggle to survive by maintaining institutional good health has, as a crucial element in this struggle, "making a college education attractive to almost anyone willing to pay for it."⁴ As a result, we have seen the development, in the last two decades, of an "Educational Marketplace."⁵

¹Wendell C. Smith, "Marketing--A Controllable Tool for Education Administrators," Lifelong Learning: The Adult Years 4 (November 1980):8.

²Thomas Huddleston, "In Consideration of Marketing and Reorganization," National ACAC Journal 25 (July 1980):18.

³Patrick E. Murphy, "The Promises and Pitfalls of Marketing Research in Higher Education," Liberal Education 66 (Spring 1980):102.

⁴"The Search for Students: Higher Education in the Next 20 Years," The Futurist (February 1981):66.

⁵Ibid.

An important distinction to be made, which many educational institutional administrators do not understand, is between the ideas of selling and marketing. Selling is the persuading or influencing of an audience, "with a goal that expects them to conform to what the institution believes is right."⁶ Marketing is consumer oriented and is associated with serving others. The two ideas have frequently been confused, and the educational marketplace has, at times, reflected the negative aspects of the business world.

The changing environment of higher education has, however, "radically altered our attitudes about business and management techniques."⁷ Though higher education "has long been engaged in the development of services and the promotional activities which in business are called marketing,"⁸ it has not directly acknowledged the source of its public relations, student recruiting, fund-raising and lobbying efforts. As a result, market research is really not a stranger, internally, to the academic enterprise; and its benefits, both past and future, have created a bridge between higher education and business.

The very real challenges of the future call for higher educational institutions to make their programs more attractive to a variety

⁶John W. Owen; Roger Campbell; and Philip R. Flanigan, "Marketing: Matching the Student to the College," College and University 52 (Summer 1977):593.

⁷Robert O. Riggs and Willard L. Lewis, "Applicability of Marketing Research to Student Recruitment," Journal of College Student Personnel 21 (September 1980):467.

⁸Larry H. Litten, "Marketing Higher Education: Benefits and Risks for the American Academic System," Journal of Higher Education 51 (January/February 1980):41.

of publics, and to call upon marketing techniques to achieve their goal of survival. As the Carnegie Council says, "The road to survival now leads through the marketplace."⁹ With survival as our goal, we must be sure the Marketing Movement will have lasting benefits. A requisite to these lasting benefits is our ability to learn how to differentiate between "the marketing tasks of business and industry and those of higher education."¹⁰ This differentiation is necessary for our effective transfer of those marketing activities from the business sphere, which are applicable to the higher educational sphere.

The Transfer of Marketing Activities
from Business to Higher Education

Marketing in business and in higher education have probably more similarities than differences. Although the differences are "critical in considering the transfer of marketing activities from one to the other,"¹¹ the similarities are beneficial in identifying those activities most useful to higher education.

What is demanded before successful transfer can occur is that professional marketers gain an understanding of American higher education before they begin to apply their technical expertise to colleges. Also, "academic administrators often appear not to understand fully what their marketing efforts are supposed to accomplish or the direct and indirect effects those efforts might have on their institutions or the

⁹"Search for Students," p. 66.

¹⁰Litten, "Marketing," p. 41.

¹¹Ibid., p. 45.

system."¹² They also do not understand the nature of their market. Sometimes, the personnel of higher education are under pressure or are unable to choose the best techniques appropriate to the marketing or research activities in which the institution plans to engage.¹³ Greater understanding between these two groups is necessary before the ideas and techniques of one group can become incorporated into the other.

Considerable sensibility will be required before making transfers of marketing techniques from business to higher education. "Marketing in business is highly differentiated according to type of business activity."¹⁴ This creates a problem because marketers from the business world do not understand the diversity of educational activities. Understanding between business and higher education could prevent "the wasted money, eroded trust, and diminished reputations"¹⁵ of both business marketers and educational institutions. Successful marketing cannot result without this understanding.

The professional marketer and market researcher has techniques and knowledge which could be of great benefit to higher education. These services should be used, however, with caution and under informed control by colleges until the gap in understanding between the two is bridged.¹⁶

The three keys business has given to higher education to effectively utilize institutional resources are market awareness,

¹²Ibid., p. 54.

¹³Ibid.

¹⁴Ibid., p. 45.

¹⁵Ibid., p. 54.

¹⁶Ibid., p. 57.

communications, and leadership. Awareness is the most important facet of a marketing process.¹⁷ An effective communications system and central leadership can result in more comprehensive use of institutional resources once this awareness has provided the marketing approaches to be used.

Educational marketing involves, in its basic approach to the market, expectations of the client which do not characterize many other spheres of marketing.¹⁸ "Business rarely involves its employees, customers, or 'products' in the management and marketing process to the extent that academia does."¹⁹ This is because the roles of students in the higher educational marketing process include these clients as part of the service and production process itself, and as a quasi-product at the end of the process.²⁰

The marketer looks at a product or a service as a phenomenon which can be sold or exchanged by the producer. "Colleges sell their educational and extracurricular resources, not their students. What is actually produced is learning; students are the carriers of such learning and are changed in the process of learning."²¹ Educational institutions evaluate their student products on the basis of this learning and certify their characteristics similar to the way in which industries

¹⁷Darrell R. Morris; William F. Elliott; Thomas J. Huddleston; and John B. Vaccaro, "Know Your Student Market Before You Start to Market," College and University 52 (Summer 1977):609.

¹⁸Litten, "Marketing," p. 48.

¹⁹Ibid., p. 53.

²⁰Ibid., p. 47.

²¹Ibid., p. 48.

certify the performance characteristics of their products.²² These products, of course, must satisfy institutional expectations.

The academic marketing process must be "congruent operationally with the specific institution's structure and process."²³ A marketing approach presumes that educational institutions are engaged in a form of activity in which the needs and the limits of the institution, as well as those of the prospective students, must be clearly understood.²⁴ To meet needs and establish limits, marketing for higher education must become a frame of mind. Questions need to be asked about "the optimum relationship between an organization and its environment, or parts of its environment"; action is taken based on the answers to those questions.²⁵

The marketing process, when used by educational institutions, has to be adapted to a nonprofit organizational approach. Marketing involves the analysis, planning, implementation, and the control "of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organizational objectives."²⁶ Marketing is "more than mere institutional presentation and the generation of information."²⁷ Marketing also involves the

²²Ibid.

²³Ibid., p. 53.

²⁴Owen et al., "Matching the Student," p. 591.

²⁵Litten, "Marketing," p. 41.

²⁶Brent Knight and Dennis Johnson, "Marketing Higher Education," Educational Record 62 (Winter 1981):28.

²⁷Litten, "Marketing," p. 43.

development and delivery of educational and auxiliary services. The price and financial arrangements set for those services determine whether or not the intended beneficiaries will be able to take advantage of those services.²⁸

Marketing "analyzes student markets in depth, defines the markets, and plans how to meet the needs of current students" and of future student markets.²⁹ The initiative must then be taken, based on expressed demands to develop offers based on the right program and financial aid package, and, through an effective communications program, meet those expressed needs.

Marketing is a "comprehensive rather than singular approach to conception and implementation."³⁰ The comprehensiveness of this approach is revealed by the inclusion in marketing activities of product planning, pricing, promotion and distribution. All of these activities are "directed at satisfying needs and wants through exchange processes."³¹ This exchange process is the essence of marketing.

Creating and resolving exchange relationships involves offering products, by the educational institutions, which are "equal to or greater than the price asked and the benefits offered by its primary

²⁸Ibid.

²⁹Huddleston, "Marketing and Reorganization," p. 20.

³⁰Ibid.

³¹Patrick E. Murphy and Richard A. McGarrity, "Marketing Universities: A Survey of Student Recruitment Activities," College and University 53 (Spring 1978):253.

competitors."³² The exchange relationship between educational institutions and their clients rests on this point.³³

Marketing Activities, Pros and Cons

Marketing activities employed by educational institutions have followed three major themes. First, the general theoretical principles of marketing have been applied to the university context. Second, sophisticated quantitative techniques have been used to determine methods for dealing with competition. Third, individual marketing procedures, such as pricing practices and promotional activities, have been used to assess market conditions.³⁴ In addition to these general themes, the marketing process has followed the guidelines of the process broken down into the set of activities described as the four "P's."

The four "P's" are product, place, price, and promotion. Product is what happens in the classroom to the student; we label this product "learning." Place refers to when and where courses are offered and the method of instruction employed. Price means tuition dollars, fees, and other expenditures of time and money by the students. Promotion follows the proper ordering of product, price, and place; and will be discussed in detail later in this paper.³⁵

In 1979-1980, more than 70 percent of the colleges and universities in the United States reported that they were using marketing

³²Huddleston, "Marketing and Reorganization," p. 20.

³³Ibid.

³⁴Murphy et al., "Marketing Universities," p. 250.

³⁵Knight et al., "Marketing Higher Education," p. 30.

concepts. Included in these concepts were publicity and differentiation, two aspects of the marketing process which are used to promote institutional strengths.³⁶ Educational "institutions need to promote their individuality, not their comparability."³⁷ This individuality determines to which "market" each institution will appeal.

Market analysis can also benefit colleges and universities by providing a clear picture of institutional resources and "estimating the costs and projected benefits . . . of entry into or expansion" in new markets. Institutional resources can be more efficiently used than they might be without such analysis. Market analysis has the potential to reduce the cost of education for students because an increased flow of information in the system will be cost efficient.³⁸

Marketing concepts and principals "can strengthen the decentralization" of higher education and offer ways to deal with the resulting competition, which is an "essential aspect of . . . American higher education."³⁹ Competition calls for market analysis to determine "unoccupied or insufficiently occupied positions," which institutions, based on their individually determined strengths, will seek to make their own. This process of occupying new positions will result in greater diversity within the higher educational system, and, hopefully, institutional strength.

³⁶Lorenzo Middleton, "Most Colleges Said to Lag in 'Marketing,'" The Chronicle of Higher Education 21 (September 1980):13.

³⁷Barbara E. Cousins and Roger H. Campbell, "The Declining Applicant Pool: How to Plan for the 80's," College and University 55 (Summer 1980):330.

³⁸Litter, "Marketing," pp. 44-45.

³⁹Ibid., p. 44.

The marketing process may result in "institutional vigor and responsiveness . . . fueled through the pursuit of new clientele through new services and programs."⁴⁰ However, educational institutions will have to be careful not to compromise their integrity "as new services or new programs are added, which may not be compatible with existing functions."⁴¹ Our intellectual life may be enriched by new activities, "but hasty entry into these activities in a desperate quest of new clients (and their financial resources) could well have a compromising effect" on standards, which could result in a threat to institutional vigor. Such threats are often blamed on the negative influences of the marketing approach to higher education.

Marketing has been associated with promotional strategies used in business, and criticized because of this association.⁴² Some criticisms center on the idea of marketing as the "commercialization" of a process that involves lofty ideals.⁴³ The fear is that a business approach to higher education "may undermine the integrity of a process that can be judged only in the long run."⁴⁴ If academic programs are altered to enhance recruiting efforts, these criticisms may be justified.

To answer critics of the marketing approach, certain practices should be handled carefully. These include abuses in "advertising and

⁴⁰Ibid., p. 55.

⁴¹Ibid.

⁴²Knight et al., "Marketing Higher Education," p. 28.

⁴³Huddleston, "Marketing and Reorganization," p. 20.

⁴⁴James F. Davidson, "Tickets, T-Shirts, and Tolstoy: Flacksterism in the University," The Chronicle of Higher Education 21 (November 1980):48.

publicity, admission standards, qualifications, supportive services and facilities."⁴⁵ It must be remembered, as was pointed out earlier in this paper, that selling and marketing are two different concepts. Persuasion is a characteristic of selling, people orientation is a characteristic of marketing. The closer educational institutions stay to a people orientation, the less criticism marketing will receive.

When marketing is understood and applied appropriately, "it is consistent with many ideals in higher education and is a vital concept for colleges and universities."⁴⁶ Marketing does not have to mean "voluminous advertising budgets or gaudy display, as so often academicians seem to fear."⁴⁷ Effective marketing makes selling less necessary.

A systematic approach to marketing will call for the reorientation of business philosophy as well as the reversal of some deep-rooted attitudes in higher education. It will not, however, become "hucksterism" if the orientation toward a marketing approach to higher education is one directed toward benefiting the clients. On the other hand, it also must not be viewed as a panacea.⁴⁸ Marketing science is at our disposal, and, when understood and correctly employed, "is the opposite of crass promotion or poorly conceived schemes."⁴⁹ A marketing approach

⁴⁵Thomas E. Swift; James G. Haas; and Dick Hines, "Ethical Aspects of Foreign Student Recruitment," College and University 54 (Summer 1979):319.

⁴⁶Knight et al., "Marketing Higher Education," p. 28.

⁴⁷Litten, "Marketing," p. 45.

⁴⁸Smith, "Marketing--A Controllable Tool," p. 10.

⁴⁹Knight et al., "Marketing Higher Education," p. 28.

cannot be avoided if educational institutions wish to survive the problems they will face in the next decades; the choice is between using marketing well or using it poorly.

Why Marketing Techniques are Being
Employed in Higher Education

The problems of inflation, unemployment, and recession have a negative influence in the profit sector as well as in the nonprofit sector--influences perhaps even more ominous for higher education.⁵⁰ Most higher educational institution leaders are aware of such problems as well as "changing demographics, the significant decline in the number of high school graduates . . . and revenue uncertainties."⁵¹ They should follow more closely examples of effective business and run their institutions based on the directions indicated by the market.

The nature of the market in the present does not allow for long-term planning. Not many people make ten-year plans any more. Therefore, business organizations and educational institutions are constantly planning and revising, based on what market fluctuations indicate.⁵²

Institutional planning is not easy because of commonly made errors. Four such errors are to underestimate inflation, new costs, the rate of change, and opportunities.⁵³ These errors indicate further that educational leaders need to pay closer attention to the market.

⁵⁰Ibid.

⁵¹Ibid.

⁵²Harold L. Hodgkinson, "Harold L. Hodgkinson's Wonderful Slide Show," AGB Reports (January/February 1980):54.

⁵³Ibid., p. 55.

For example, declining enrollment and resulting financial problems for higher education were conditions for which administrators were not prepared. The exact rate of this decline in student enrollment and finance is still unknown. Variations from institution to institution mean that administrators need to become better prognosticians; this means using such marketing techniques as research of the student population potential. The reasons behind such problems as declining enrollment and finance can be identified by such a marketing approach.

Marketing information is of "considerable importance for making decisions regarding effective recruitment efforts, innovative program changes, and general course development."⁵⁴ The competitive environment of higher education means that educational marketers must develop effective strategies for determining how they will compete for student resources.⁵⁵

One point must be remembered by marketers of higher education: our system is competitive but "academic competition differs markedly from that of the business world . . . there is little impulse toward monopoly."⁵⁶ Monopoly is not possible in the higher educational context. There is, however, a large group (estimated as from 17 to 46 million

⁵⁴Richard J. Pomazal, "College Enrollment Motivation: A Theoretical Marketing Approach," Journal of College Student Personnel 21 (March 1980):126.

⁵⁵Louis E. Boone and David L. Kurtz, Contemporary Marketing, 2nd ed. (Hinsdale, Illinois: The Dryden Press, 1977), p. 35.

⁵⁶Litten, "Marketing," p. 53.

adults studying in some form of postsecondary work) from which colleges and universities could build their enrollments.⁵⁷

Forms of postsecondary education other than colleges and universities have created new competition in the educational marketplace. "We are more and more faced with new agencies (both for profit and not for profit) which are competing for students."⁵⁸ For example, the Department of Defense "wants one out of three high school graduates to go directly into military service."⁵⁹ Also, industry is spending \$2 billion a year on company education. (Some estimates are even as high as \$100 billion.)⁶⁰ The result of this competition is that higher education is increasingly turning to promotional techniques to first stabilize, and later build, its student population.

Finding "intensified promotionalism on the campus is not a surprise."⁶¹ Higher education is under pressures which have weakened its strength, not only financially, but also motivationally. The public has begun to have a lowered perception of the value of the college education and, "as tuition is raised, so are more questions about the dollar value of degrees."⁶² People are only willing to pay for a product they perceive to be of significant value.

⁵⁷Hodgkinson, "Wonderful Slide Show," p. 58.

⁵⁸Smith, "Marketing--A Controllable Tool," p. 10.

⁵⁹Hodgkinson, "Wonderful Slide Show," p. 59.

⁶⁰Ibid.

⁶¹Davidson, "Tickets," p. 48.

⁶²Ibid.

Colleges must attempt to influence "the perceived value of its product by the consumers through an evaluation of its product, promotion, pricing, and distribution."⁶³ Colleges too often ignore this approach and compete against each other in their portrayals of their academic products. This is not sound marketing.⁶⁴

Sound marketing requires institutions to decide where and how to apply marketing principles. Each educational institution must understand its own specific situation. Each must "find a need and fill it."⁶⁵ This means being sensitive to what students say they need and either meeting those needs or acknowledging an inability to do so.⁶⁶ The key to marketing success lies in locating unsatisfied customers, and making them satisfied.

What Market Population Higher Education Is Recruiting

It used to be that finding enough students to fill college classrooms was not generally a problem. For that reason, "methods used to recruit students were somewhat haphazard and not very methodical."⁶⁷ However, as the 1960s ended, so did the enrollment boom begin to end. By the late 1970s, "marketing in college admissions had pervaded the professional conversations and publications of admissions officers, and

⁶³Huddleston, "Marketing and Reorganization," p. 22.

⁶⁴Owen et al., "Matching the Student," p. 593.

⁶⁵Boone et al., Contemporary Marketing, p. 132.

⁶⁶Owen et al., "Matching the Student," p. 593.

⁶⁷Joseph A. Armenio, "Back to the Agora: Marketing Foreign Admissions," The Journal of the Association of College Admissions Counselors 22 (August 1978):30.

more firms had begun to specialize in marketing services for the recruitment programs of colleges and universities."⁶⁸ Efforts to fight declining enrollment had begun.

Since the late 1970s, effective marketing has become recognized as a key to halting enrollment declines, and as a way to "search for qualities among those prospective students which will prove to be a suitable match "for each institution--matches which will build the strength as well as the size of these institutions."⁶⁹ Once areas in which university strength need to be built are identified, marketing analysis can be used to examine the "size, geographic location, and demographic description of matriculants" to determine from which sources students are being drawn, and what characteristics these students have in common.⁷⁰ Once these variables have been determined, the marketing process can be initiated to pull, from the most likely sources, the future student population.

The approach, used often by commercial marketers, called "Differentiated Marketing" has much to offer to colleges and universities. This is a strategy by which an attempt is made "to satisfy a large part of the total market, but instead of marketing one product with a single marketing program" a number of products with unique individual appeal are offered to satisfy more segments of the market.⁷¹ This procedure

⁶⁸Middleton, "Colleges," p. 13.

⁶⁹Owen, "Matching the Student," p. 592.

⁷⁰Huddleston, "Marketing and Reorganization," p. 202.

⁷¹Boone, "Contemporary Marketing," p. 204.

involves segmenting the market "by demographic factors, benefits sought on some other criteria" and is a practice which many universities have used, and not associated the use with business practices.⁷²

Differentiated marketing allows greater "sales" of the "product" because it has the potential to satisfy a greater market. In the example of higher education, marketing research has allowed the identification of new market populations, and the subsequent expansion of recruitment efforts into these areas. The result has been "dramatic shifts in the composition of college student populations."⁷³ Universities have broadened their recruitment (marketing) efforts to include adults, part-time students, and many other "nontraditionals." This expansion of enrollment to these areas has also brought change to the composition of the student population.

Greater percentages of part-time students, older students, females, and disadvantaged students have begun to make up the student body. These are percentages which have created concern for university administrators and faculty. The "'typical' college student has become more difficult to define."⁷⁴ Insights on college enrollment motivation have therefore become crucial because these administrators and faculty realize that there is only one certainty in college enrollments: the number of eighteen-year-olds possible to recruit will continue to decline.⁷⁵

⁷²Murphy, "Marketing Universities," p. 255.

⁷³Richard J. Pomazal, "College Enrollment Motivation: A Theoretical Marketing Approach," Journal of College Student Personnel 21 (March 1980):126.

⁷⁴Ibid.

⁷⁵George W. Bonham, "The Numbers Game," Changes (July/August 1980):8.

The demise of the traditional "growing" population of youth, as an accepted fact, forces colleges to center their recruitment efforts on the nontraditional student base, and to design and market programs which will attract members from this group.⁷⁶ Also, the "system of teaching and learning will have to change greatly to meet the needs and expectations" of the different segments of this group.⁷⁷ Primarily, older students, those returning for degrees or to gain further certification or new degrees, will make up the majority of the nontraditional student body. "Almost every institution has a potential market among adults."⁷⁸ Marketing will help this potential become realized.

Another very significant segment of the nontraditional student market is international students. Too frequently overlooked, international students represent "a viable resource which--with integrated marketing methods--can offset the declining domestic student population."⁷⁹ It is projected that this group, if effectively recruited, could, in the next ten years, help reverse enrollment decline.⁸⁰

Support for the projection above comes from two sources of information: the rate of growth of foreign student enrollments and new markets which may open up to recruitment efforts. The first source of data

⁷⁶Pamela Glenn Menke, "Beauty and the Beast: The Mission of General Education," National ACAC Journal (October 1979):12.

⁷⁷Ira Jay Winn, "Turning the Screw: Higher Education in the 1980s and 1990s," Phi Delta Kappan 61 (June 1980):687.

⁷⁸Hodgkinson, "Wonderful Slide Show," p. 62.

⁷⁹Armenio, "Marketing Foreign Admissions," p. 30.

⁸⁰Robert L. Jacobson, "Seek Students from Abroad, Colleges Told," The Chronicle of Higher Education (September 1980):5.

points out that, from the end of the Second World War to the early 1960s, foreign student enrollments grew from 33,647 in 1953 to 44,536 in 1964. By 1975 this number had risen to 179,000. In 1980, more than 300,000 foreign students were enrolled in the U.S.⁸¹ It is projected that this number could increase to 750,000 by the end of the decade,⁸² and that by the 1990s, "the presence of foreign students could be one of the most powerful themes in American higher education."⁸³ Developing this potential student body involves marketing techniques to draw students from those sources indicated in the second piece of information--new markets.

New markets--new countries with large college-age student populations--could open up by the year 2000. For example, "China could provide a flow of 50-80 million students a year to U.S. higher education."⁸⁴ Middle Eastern countries and Southeast Asian countries could also be recruited heavily.

A prerequisite is necessary for the penetration of these markets, "American institutions of higher learning . . . [should] employ a more methodical approach to the recruitment of international students."⁸⁵

⁸¹This information is cited at length in another paper by this researcher (Dalili) entitled, "Foreign Students In Institutions of Higher Education in the U.S.," Table 1, page 11, which provides more detail on the increasing foreign student enrollment in the U.S. The two sources of special value to this paper are: Jacobson, "Seek Students," p. 5; and Armenio, "Marketing Foreign Admissions," p. 31.

⁸²Jacobson, "Seek Students," p. 5.

⁸³Malcolm G. Scully, "1 Million Foreign Students at U.S. Colleges, Triple Present Number, Seen Likely by 1990," The Chronicle of Higher Education 23 (October 1981):1.

⁸⁴Armenio, "Marketing Foreign Admissions," p. 34.

⁸⁵Ibid., p. 31.

They must not just identify the target market and open their doors to these students, they must also determine their capabilities of serving that market.⁸⁶ An institution which seeks to enroll foreign students has an obligation to provide services which can truly meet the needs of those students. Marketing research can help institutions determine those needs, and whether or not they are capable of satisfying them. For some institutions, foreign student recruitment may not be feasible, for others it may provide an answer to enrollment decline.

Which Components are Included in
Higher Education Marketing

Participants in higher education "are engaged in a set of relationships involving exchanges."⁸⁷ Marketing requires the analysis of the components of those relationships. Institutions offer educational programming, degrees and certification at the undergraduate, graduate, and professional levels; these are the major descriptors of what students desire from educational institutions. It is the components of services offered and facilities available which make students interested in particular institutions. Market analysis helps higher educational institutions effectively determine which components are strongest for a particular institution, and to which student market that particular institution should appeal.

Marketing concepts help institutions in the process of determining what they have to sell and to whom some of the decisions they

⁸⁶Ibid., p. 31.

⁸⁷Owen, "Matching the Student," p. 591.

have to make listed as follows: Product decisions, what courses or programs should be offered? Price decisions, what fees should be charged? and Distribution decisions, where should classes be held?⁸⁸ The effective analysis of such components leads to effective marketing.

Adjusting to the market, based on decisions reached by market analysis, means that universities must adapt their curricula "as quickly and widely as possible to the current marketplace of student interests."⁸⁹ Examples of such adjustment are the trends to establish the universities as lifelong learning centers for adults, places offering remediation for the disadvantaged, and "weekend colleges" or centers for various workshop activities.⁹⁰ The ability of each educational institution to adjust to its new market components may determine not only a successful marketing process, but also institutional survival.

The survival of many institutions in this coming period may depend also on the components of accreditation. Accreditation has an important role in the exchange of services for fees. Accreditation provides a "stamp of approval" which most institutions advertise. Accreditation indicates the enforcement of codes and the adherence to established norms which gives the university credibility. Such credibility is important for its effect on a student's consideration of a particular institution. If credibility is to be associated with accreditation, then "accrediting agencies should promote the use of quality market

⁸⁸Smith, "Marketing--A Controllable Tool," p. 8.

⁸⁹Winn, "Turning the Screw," p. 686.

⁹⁰Ibid.

research and sound marketing practices by colleges and monitor their use and development,"⁹¹ or, eventually, students may not wish to exchange their fees for the services of questionable institutions.

Accrediting covers the external aspects of institutional marketing. Personnel development covers the internal aspects. "Managing a marketing program presents a new challenge for college administrators."⁹² The college president must provide the primary leadership necessary to communicate to the entire organization the importance of marketing. "A single admissions office can provide only initial, brief leadership in marketing efforts by particular segments of an academic community."⁹³ This management component of the marketing process has been too frequently played down. Many institutions, fortunately, have begun to see the value of this factor, and are now employing persons as "Marketing Directors."⁹⁴

Directors of marketing are necessary to provide central leadership (with the cooperation and support of the college president) to all promotional efforts. They should hold high-level positions which allow them, "to coordinate product development and modification, recruiting, promotion, research and other marketing functions encompassing the entire college or university."⁹⁵ This should not be a solo role, however, but

⁹¹Litten, "Marketing," p. 57.

⁹²Knight, "Marketing Higher Education," p. 31.

⁹³Huddleston, "Marketing and Reorganization," p. 20.

⁹⁴Smith, "Marketing--A Controllable Tool," p. 9.

⁹⁵Murphy et al., "Marketing Universities," p. 260.

one which shares involvement in the marketing process with the academic community.⁹⁶ This sharing means that staff development should be an important element of market planning.

Faculty, "once they are shown that the [marketing] approach is professional and that it reflects the image that institutions of higher education seek to project,"⁹⁷ become receptive to and more enthusiastic about marketing. Negative reactions by faculty to marketing can be reduced by this type of staff development. Developing this component means stressing the students-as-consumers orientation.

Faculty and staff development means, in the marketing approach, creating a supportive environment in which students can expect good teaching and other benefits, such as reinforcement of their decisions to enroll in a particular institution. Students are purchasing a product which includes "courses, people, facilities, and services," and faculty and staff have a responsibility to meet their advertised part of the exchange.⁹⁸ Failure to meet their parts of the exchange process defeats the goal of effective marketing.

Marketing must also go beyond aspects of staff and personnel considerations to facilities and services considerations by students. For example, different people go to different colleges for different reasons, and their expectations are not uniform. Location, classrooms and research facilities, athletics, residence hall programs, food services, the variety of forms of recreation, parking, computer services,

⁹⁶Morris et al., "Know Your Student Market," p. 610.

⁹⁷Knight, "Marketing Higher Education," p. 30.

⁹⁸Ibid., pp. 29-30.

bookstore; all are considerations which have different weights for different people.⁹⁹ Some people may be most concerned with such service components as counseling and testing, job placement, health services and legal services, while others are most concerned with financial assistance services. Using a marketing approach means identifying and promoting those services which institutions can "guarantee." To satisfy students' expressed needs, institutions must follow "truth in advertising" guidelines.

One special service of interest, to most students, which is heavily advertised is financial aid. This service plays a major part in institutional marketing. It includes the granting of scholarships, grants, loans, assistantships, and fellowships. The availability of financial aid affects the "buying process," therefore, it must be given a special place in the marketing process.¹⁰⁰

Education is a service industry with a structure which allows access to much data that are not available to other industries.¹⁰¹ For this reason, institutional research is an important component in the marketing of higher education. Higher education has much to offer to the public and to itself through the development and maintenance of a functional marketing information system.

⁹⁸Ibid., pp. 29-30.

⁹⁹Sak Onkvisit and John J. Shaw, "Applying the Retailing Approach: In the Marketing of Colleges and Universities," Journal of Business Education 56 (February 1981):191; and Owen, "Matching the Student," p. 596.

¹⁰⁰Huddleston, "Marketing and Reorganization," p. 21.

¹⁰¹Morris et al., "Know Your Student Market," p. 607.

The marketing research process involves the gathering of reliable data, both internally and externally. This process involves the performance of the following basic functions: (1) gathering, (2) processing, (3) evaluating, (4) disseminating, and (5) utilizing.¹⁰² Such research can help combine marketing efforts, and serve as a basis for a resource program formulated from ideas supported by research and experience.

Marketing "begins with consumer research and continues with a plan that results in something that addresses people's needs."¹⁰³ It is a process which involves the total organization, and "forces colleges to analyze curricula and programs and ensures that programs offered meet student needs."¹⁰⁴ Marketing encourages colleges to understand their strengths and weaknesses, and build on those which meet expressed student needs.

How Higher Education is Promoting Its Product

Belief in the value of an American university degree is a major selling point. It has prestige value, psychological value, employment value, and political value. It is the job of universities and colleges to promote their particular degree programs; and to try to reach, through whatever forms of advertising or personal sales, the largest potential population of students.

¹⁰²Ibid.

¹⁰³William J. Banach and Edward H. Moore, "'You Desire a Break Today'--So Start Marketing Schools," Thrust 9 (October 1979):13.

¹⁰⁴Knight, "Marketing Higher Education," p. 28.

Promotional techniques include "communications objectives that seek to inform, persuade and remind potential customers of the product."¹⁰⁵ Promotion, therefore, is an attempt to condition customers to a favorable viewpoint toward the product. In higher education, promotion "employs expertise gleaned from various sources."¹⁰⁶ This expertise is directed at creating a marketing plan that is generally individualized for each institution.

The objectives of promotion are as follow: (1) provide information, (2) increase demand, (3) differentiate the product, (4) accentuate the value of the product, and (5) stabilize sales.¹⁰⁷ Though these aspects are probably the most controllable decisions of the marketing process, they are not well understood by educational administrators. For example, "there are demands in the marketplace which have not been served and there are educational suppliers trying to sell products which are not in demand."¹⁰⁸ In such cases, it is clear that a poor job in promotion has occurred.

To do a good job and promote the educational product, effective research must be the foundation of advertising and personal sales.¹⁰⁹ Some persons consider marketing research to be too complex and too expensive; others point out that this belief is based on too many

¹⁰⁵Boone, "Contemporary Marketing," p. 374.

¹⁰⁶Smith, "Marketing--A Controllable Tool," p. 9.

¹⁰⁷Boone, "Contemporary Marketing," p. 353.

¹⁰⁸Smith, "Marketing--A Controllable Tool," p. 8.

¹⁰⁹Boone, "Contemporary Marketing," p. 375.

examples of inappropriate promotional and pricing techniques.¹¹⁰

Examples of inappropriate promotional techniques are "scholarships in balloons, bring-a-friend-get-a-deal, and even blimps, with messages attached, hovering over a beach or an athletics event."¹¹¹ Other similar commercial promotions "create pressures to apply similar techniques to academic programs."¹¹² These examples should be taken as warning indicators of techniques which may have greater negative than positive influences.

The marketing process calls for managerial decisions which determine where best to invest promotional resources. Common and appropriate investments of institutional resources are direct mail, news releases, public service announcements (radio and television), calendar announcements (monthly and weekly), personal contact, advertisements in newspapers and periodicals, advertisements in specialty journals, electronic media interviews (radio and television), public relations/information bureaus, feature stories, and news releases to specialty journals and newsletters.¹¹³ The use of a brochure has been found to be especially attractive as a promotional device and has the added value of being portable.¹¹⁴ Though each of the above examples can, alone, become quite successful, the most effective promotion should involve a mix of these alternatives.

¹¹⁰Riggs et al., "Marketing Research," p. 467.

¹¹¹Knight, "Marketing Higher Education," p. 28.

¹¹²Davidson, "Tickets," p. 48.

¹¹³Smith, "Marketing--A Controllable Tool," p. 9.

¹¹⁴Davidson, "Tickets," p. 48.

Marketing in the Future

Colleges and universities, in the face of the enrollment crisis, have responded to the possibilities of increasing their student populations through a marketing approach with great haste. For the future, however, this haste must be moderated with the understanding that "the university as an institution cannot be based on the shifting sands of economics or faddism."¹¹⁵ It will become increasingly important in the future that higher educational institutions use the marketing approach in its most beneficial sense--as the data base and promotional ability source for institutional survival.

The marketing process can provide the solid foundation for survival by first "marketing . . . the nature of higher education and the differences between business and academia."¹¹⁶ Public "understanding of and respect for the traditions and requirements of our academic heritage and its distinctive qualities" is necessary before the marketing of higher education can be carried further.¹¹⁷ It is necessary to educate the public about the business of education before institutions can begin to expend their promotion of the educational products they are offering in exchange for financial support.

By educating the public, higher education will gain not only allegiance from the public, but also perspectives which will allow the more responsible and effective exploitation of the tools of marketing.

¹¹⁵Winn, "Turning the Screw," p. 686.

¹¹⁶Litten, "Marketing," p. 58.

¹¹⁷Ibid.

The benefits to be gained will be for both higher education and the public it serves.

As colleges and universities examine the evidence of market research public expectations of higher education, and redesign "offerings with a sense of responsibility to the global dimension . . . it [will become more] attractive to a generation of students who are hungry for the opportunity to understand and to enter this troubled world."¹¹⁸ This attraction will be long-lasting if colleges and universities continue to meet public challenges which call for consistent "adaption and modification of their product offerings to meet the changing needs of consumers."¹¹⁹ Competition and the complexity of the marketplace will make new "product" developments a high priority for the future.

Conclusions

The aggressive, "hard sell" style of marketing is most associated with business, and has been looked upon by educators as an approach not appropriate for higher education. Education has typically taken the "soft sell" approach which follows the "why should we have to sell a worthwhile service?" idea.¹²⁰ Increasingly, experience has shown administrators in higher education that it is not enough to produce a quality product, "to achieve success in a dynamic business environment, marketing effort is required."¹²¹ This effort must, of course, be effective.

¹¹⁸Frederick Rudolph, "The New Curricular Equation," Change 12 (May/June 1980):28.

¹¹⁹Murphy, "Marketing Universities," p. 257.

¹²⁰Smith, "Marketing--A Controllable Tool," p. 8.

¹²¹Boone, "Contemporary Marketing," p. 11.

If marketing is to be effective, all the elements of the "marketing mix" must be blended "in a way to maximize product adoption and consumer satisfaction."¹²² Balanced marketing will allow higher educational institutions to meet the taste and needs of the public by avoiding too narrow a view of their public, such as that produced by a single process marketing approach. No matter how well balanced the approach, the use of appropriate marketing principles is no guarantee of institutional vitality.¹²³

Many persons fear a deterioration in the quality of higher education as a result of institutional marketing. "Less emphasis on academic excellence is an attempt to attract as many students as possible and make sure they all stay in school once they enroll," it is often associated with marketing when it is really more a problem of institutional weakness.¹²⁴ The marketers of business, or higher education, could hardly advocate lessening the quality of a product in order to promote its sale.

If higher education is to be promoted in the future, "the decline in our expectations for our students and for ourselves" will have to be reversed.¹²⁵ Higher standards in curriculum and requirements will have to be set so that higher educational institutions will be recognized as

¹²²Smith, "Marketing--A Controllable Tool," p. 8.

¹²³Knight, "Marketing Higher Education," p. 28.

¹²⁴"Search for Students," p. 66.

¹²⁵John R. Silber, "Marketing Higher Education: The Survival Value of Integrity," p. 9.

standing for quality in education. This is an obligation as well as a matter of marketing ethics. It is what the public expects.¹²⁶

Marketing may not solve all of the problems of higher education, but, if the integrity of these institutions is maintained, there may be grounds for optimism.¹²⁷ From the marketing process will at least come crucial questions from which answers the future of higher education may become more secure.

Marketing, by emphasizing quality in education, will increase institutions' chances for survival by forcing them to capitalize on what they do best. Bringing about change through the willingness of institutions to take the directions prescribed by marketing research is a goal of the marketers of higher education.¹²⁸

Successful marketing requires patience and learning through experience by the process manager. "If marketing is implemented incorrectly, or if it is perceived as selling for short-term gain without institutional change, it deserves to fail and it will."¹²⁹ Marketing can help institutions of higher education gain strength through their services to the public. The goals of the higher educational enterprise will be possible to achieve only if the choice is made to manage our institutions rather than be managed by them.

¹²⁶Ibid.

¹²⁷Ibid.

¹²⁸Knight, "Marketing Higher Education," p. 28; and Cousins et al., "Declining," p. 331.

¹²⁹Knight, "Marketing Higher Education," p. 31.

It is the view of many that education, particularly higher education, will continue to grow steadily. Its future mission may well become an expended one which will have international dimensions. Higher education may become a massive educational industry and a dominant element in the already dominant service sector of the economy.¹³⁰

¹³⁰Rudolph, "New Curricular," p. 28; and Aaron B. Fuller, "The Educationalization of America," The Education Digest 44 (January 1979): 23.

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